

To: Renewable Advisory Board

From: Janice McClanaghan,  
Energy Office

Date: June 3, 2003

Subject: Update

The following is the monthly update for the Renewable Energy Fund:

1. PP&L Supply Proposal – The ad hoc subcommittee has formulated a counterproposal to PP&L that consists of a guarantee of a portion of the RECs requested in PP&L's proposal for 5 years. Also included in the counterproposal is a subsidy (per-kilowatthour incentive) for the RECs purchased by PP&L and sold into the RI market, which at this writing has not been finalized. The option of committing to a fewer number of RECs for the Rhode Island market has been discussed with the project developer and the developer is willing to enter into such an arrangement. The developer for the Berkshire Wind project is still in the process of putting together the total power/REC sales package. The timeline is being dictated somewhat by a program recently announced by the MA Renewable Energy Fund to provide surety for the purchase of RECs for ten-year periods, for which an RFP has been issued and proposals are due in September. The Berkshire project developer intends to use the MA program for the RECs produced in years 6-15, resulting in 15 years of RECs purchases in total, which is most likely the minimum required for financing.
2. CESA Public Education – the program has been launched and an RFP has been put out to find an advertising agency to do the work. Two Rhode Island firms will receive the RFP: RDW and Duffy and Shanley due to the fact that they responded to a Rhode Island RFP for outreach and education in 2002 under which the CESA project is being funded.
3. Legal Counsel – The Department of Administration (DOA) has been looking at the request for legal support to the Fund and has agreed to produce a nondisclosure agreement for the Fund's use. The questions of whether Advisory Board meetings must be open and conflict of interest are more complex and the DOA lawyers have requested more time before responding on these issues.
4. TEC-RI Outreach - I made a presentation to TEC-RI at its annual May breakfast meeting regarding the Fund.
5. Save the Bay PV - A letter was sent to Save the Bay informing them of the Fund's willingness to provide a grant in the amount of \$69,000 to \$85,000 for an 8 to 10 kW PV system for Save the Bay's new facility at Field's Point.

6. Small Wind Proposal - A request has been made to the Fund to provide an incentive for a used 10 kW wind turbine to be installed in Exeter.
7. Think Energy/RECA - Mark Crowdis has submitted a proposal for follow-on work to the original Think Energy contract to provide consulting services to form the Renewable Energy Customer Association, a buyers group for large users. The original contract is approximately 80% completed. The new proposal is being circulated to the Advisory Board.
8. RECA/PV – Two participants in the RECA program, Roger Williams University and the Newport Athletic Club, have requested technical assistance from the Fund for determining the feasibility and cost of PV at those sites. Chris Warfel of Entech Engineering, a consultant to the Fund, is providing the assistance.
9. Fund Raid - The House Finance Committee of the state legislature is proposing an appropriation of \$2.6 million from the Fund to the general fund for the FY2003 budget. The email, letter, and phone call response by the Fund's constituency to politicians has been significant.
10. PP&L Small Customer Registration - A question has come up regarding the requirement that Small Customer subsidies from the Fund be paid out only for customers who sign up for ongoing purchases of RECs or green power. This is in contrast to a situation foreseen by PP&L where a one-time purchase may be quite significant in terms of the amount of RECs bought and the fact that the customer may very well purchase in the future, even he is not committing to do so at the time of the first purchase. Discussions are ongoing with PP&L over this issue. A likely outcome is that the Fund will require a commitment to future purchases on the part of the customer before an incentive is paid by the Fund.
11. Standing Subcommittees – The Procedures and Planning Subcommittees are still in need of members. Please let Nancy Selman or me know if you can serve on one of these Subcommittees. The Planning Subcommittee, which will be drafting a strategic plan for the Fund, is working to pull together sample plans from other state renewables funds and an outline for the RI Fund Plan. A meeting of the entire Planning Subcommittee is being scheduled for July 8 after the Advisory Board meeting. The Policy Subcommittee is drafting discussion points for its first meeting, yet to be scheduled. The Procedures Subcommittee is tasked with finishing the Guidelines for the Fund; the remaining issues require legal input.
12. PV RFP – Bob Grace is drafting the RFP which will require the formation of another ad hoc committee to review. Please let us know as soon as possible if you would like to participate in that review. The draft PV RFP will be approximately 12 pages long.
13. Small PV – We think it would make sense administratively to extend the open residential PV incentive of \$5 per watt to small (under 2 kW) non-residential systems.

Unless there are objections from the Advisory Board, this will program change will be put into effect on June 10, 2003.